



**CITY OF LOS ALTOS  
CITY COUNCIL MEETING  
November 10, 2015**

**DISCUSSION ITEMS**

**Agenda Item # 6**

**SUBJECT:** Approve the transfer of Santa Clara County Library District Whipple Funds to Los Altos Library Endowment; and approve the proposed purpose and membership of the Los Altos Library Endowment Nucleus Fund Advisory Committee

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**BACKGROUND**

Virginia Whipple was a member of the Friends of the Library of Los Altos and Community. When Ms. Whipple passed away, the residue of her estate, approximately \$2.8 million, went to the Los Altos Library. Uncertainty arose because the will did not specify which entity should receive the funds. After mediation between the Santa Clara County Library District (SCCLD) and the Los Altos Library Endowment (LALE), LALE received \$1.6 million and SCCLD received approximately \$1.2 million. In addition, the Friends of the Library received approximately \$105,000.

LALE added its share of the Whipple funds to its existing funds to create a \$2 million endowment. The SCCLD portion of the funds is currently estimated to be worth approximately \$1.4 million.

Because SCCLD is limited in how it can invest its portion of the Whipple funds, interest has arisen in transferring the funds to LALE to create a nucleus fund which can be used as the start of a campaign to build a new library in Los Altos or to expand the existing facilities.

**EXISTING POLICY**

None

**PREVIOUS COUNCIL CONSIDERATION**

None

**DISCUSSION**

On October 29, 2015, the SCCLD Joint Powers Authority (JPA) Board approved the transfer of the Whipple Funds to LALE, contingent upon the City of Los Altos approving the transfer. The purpose of transferring the funds is to:

1. Provide the nucleus of a future fund-raising campaign to build a new library in Los Altos or to expand the existing libraries
2. Obtain a better return on investment on the monies. As the JPA is restricted in the manners it can invest the funds, there is the potential for a greater return on investment if the funds are managed by LALE.

In order to insure that the transferred funds are used for library-related purposes, it has been proposed to establish a Los Altos Library Endowment Nucleus Fund Advisory Committee. The members of the committee would be the City of Los Altos representative to the SCCLD JPA, the Town of Los Altos Hills representative to the SCCLD JPA, the Chair of the Los Altos Library Commission, the president of the Friends of the Library of Los Altos and Community and the president of the Los Altos Library Endowment.

The Committee will be responsible for providing oversight of the combined funds and for raising additional funds to be added to the Nucleus Fund. LALE utilizes the services of a nationally recognized, independent, registered investment firm that specializes in fund management for individuals, trusts and charitable endowments.

Once enough funds have been raised, they will then be transferred to the City of Los Altos for the purpose of constructing a new library facility or for significant remodeling of the current library facilities.

### **PUBLIC CONTACT**

The Santa Clara County Library District Joint Powers Authority, Los Altos Library Commission, Los Altos Library Endowment and Friends of the Library of Los Altos and Community have received a copy of this report.

Posting of the meeting agenda serves as notice to the general public.

### **FISCAL/RESOURCE IMPACT**

There is no fiscal impact to the City related to this action; however, funds transferred to the Los Altos Library Endowment will eventually be transferred to the City of Los Altos for use in constructing a new library or remodeling the existing facilities.

### **ENVIRONMENTAL REVIEW**

Not applicable

### **RECOMMENDATION**

1. Approve the transfer of Santa Clara County Library District Whipple Funds to Los Altos Library Endowment
2. Approve the proposed purpose and membership of the Los Altos Library Endowment Nucleus Fund Advisory Committee

### **ALTERNATIVES**

1. Do not approve the transfer of funds
2. Modify the proposed membership of the Los Altos Library Endowment Nucleus Fund Advisory Committee

Prepared by: Marcia Somers, City Manager

**ATTACHMENTS:** None

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